GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1216
ANSWERED ON:29.07.2003
LOSS TO SUBSIDIARIES OF CIL
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO

Will the Minister of COAL be pleased to state:

(a) the loss making subsidiaries of Coal India Ltd.;

(b) the total loss incurred by such subsidiaries during the last three years till date, year-wise and subsidiary wise;

(c) the reasons for the loss; and

(d) the efforts made to plug the holes and to improve the performance of these companies?

Answer

MINISTER OF COAL (SHRI KARIYA MUNDA)

(a) Eastern Coalfields Limited (ECL), Bharat Coking Coal Limited (BCCL) and Central Coalfields Limited (CCL) are the three los making subsidiaries of Coal Indi Ltd.

(b) Losses made by these companies during the last three years are as under:

(In Rs. Crore)

	2000-01	2001-02	2002-03(Prov.)
ECL	-917.19	-277.64	-270.00
BCCL	-1276.70	-755.00	-670.00
CCL	-792.91	-108.32	+301.90

(c) The reasons for the losses of these three subsidiaries are as under:

i) Inheritence of large number of deep and old underground mines not amenable for higher production and productivity.

ii) Difficult geo-mining conditions and presence of surface features.

iii)Depletion of good quality coal reserves.

iv) Excessive manpower.

v) Difficulty in land acquisition affecting continuance of the existing mining operation and opening up of new projects.

(d) These three companies have been referred to BIFR. BIFR has nominated State Bank of India as the operating agency for ECL who has drafted a rehabilitation scheme for ECL. This scheme has been discussed at various levels. ECL & CIL Board has considered the draft rehabilitation scheme and endorsed in principle the revival strategy of ECL to the Government of India with recommendation to consider the same. However, so far, the scheme has not been accepted by all the stakeholders in toto.

Scheme for revival of BCCL and CCL is under formulation. No operating agency has been appointed by BIFR for BCCL and CCL. A per the provisional result of 2002-03, CCL is expected to make a profit of more than Rs.300 crores.